GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:4517
ANSWERED ON:22.04.2002
UNVIABLE ROUTES OF INDIAN AIRLINES
ADHIR RANJAN CHOWDHURY;SHYAMA SINGH

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Indian Airlines have been plying its services on several economically unviable routes;

(b) if so, the details thereof and the quantum of losses suffered on such routes during the last three years;

(c) whether the Government`s policies have been causing losses to the Indian Airlines; and

(d) if so, the steps taken by the Government to revise its policies to make Indian Airlines profitable?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN)

(a) and (b): The details of services operated by Indian Airlines and its wholly owned subsidiary of Alliance Air that did not meet cash cost for the last three years are as follows:-

Year	No.of services	Loss per Annum (Rs.in crores)
1998-99	43	23.74
1999-2000	26	15.46
2000-2001	53	78.22

(c) and (d): Ministry of Civil Aviation has laid down Route Dispersal Guidelines vide its order dated 1st March, 1994, with a view to achieving better regulation of air transport services and taking into account the need for air transport services of different regions in the country. Subject to compliance of these guidelines, it is upto the airlines to provide air services to specific destinations depending upon the traffic demand and commercial viability.

Indian Airlines is, however, deploying nearly 16.2% of capacity against 10% mandated in Route Dispersal Guidelinesfor Category II routes as a part of their social commitment. Government has at present no plans to review the existing guidelines. However, the suggestions made by Indian Airlines to improve its financial performance, are considered from time to time by the Government and necessary action is taken keeping in view the social obligations and other constraints.